

**UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MICHIGAN**

In re

CITY OF DETROIT, MICHIGAN,

Debtor.

)

) Chapter 9

)

) Case No. 13-53846

)

) Hon. Steven W. Rhodes

)

)

)

JOINT MOTION OF APPELLANTS AND APPELLEE TO STAY APPEAL

Syncora Guarantee Inc. and Syncora Capital Assurance Inc. (collectively “Syncora”) and the City respectfully move to stay Syncora’s appeal of this Court’s *Order Denying Motion for Clarification of Post-Confirmation Procedures*. See Dkt. No. 7080 (Notice of Appeal). In support of this motion, Syncora and the City state as follows:

1. Syncora and the City move to stay this appeal until the effective date of the City’s proposed plan of adjustment.

2. Deciding this appeal would significantly undermine a sensitive settlement that, if approved and consummated, resolves all litigation between Syncora and the City.

3. The City’s proposed plan of adjustment reflects significant settlements with most of the City’s creditors. But even with these settlements, the proposed

plan of adjustment will not become final until the bankruptcy court confirms the plan under 11 U.S.C. § 943(b).

4. Syncora accordingly intends to dismiss this appeal pursuant to its settlement agreement with the City if and when the City's proposed plan of adjustment (which incorporates the settlement between Syncora and the City) becomes effective.

5. If this Court does not stay this appeal, any decision by this Court, regardless of outcome, seriously threatens to destabilize the plan process (including the City's settlements with many other creditors), to the obvious detriment of the City, its employees and retirees, other settling parties, and the State of Michigan. Further, if this Court does not stay this appeal and the City's proposed plan of adjustment is confirmed, any decision in this appeal would unnecessarily resolve issues that need not be resolved.

For the foregoing reasons, Syncora and the City respectfully request that the Court enter an order, substantially in the form attached as Exhibit 1, staying the instant appeal.

Dated: September 18, 2014

Respectfully submitted,

KIRKLAND & ELLIS LLP

By: /s/ Ryan Blaine Bennett

James H.M. Sprayregen, P.C.

Ryan Blaine Bennett

Stephen C. Hackney

KIRKLAND & ELLIS LLP

300 North LaSalle

Chicago, Illinois 60654

Telephone: (312) 862-2000

Facsimile: (312) 862-2200

- and -

Stephen M. Gross

David A. Agay

Joshua Gadharf

MCDONALD HOPKINS PLC

39533 Woodward Avenue

Bloomfield Hills, MI 48304

Telephone: (248) 646-5070

Facsimile: (248) 646-5075

*Attorneys for Syncora Guarantee Inc. and
Syncora Capital Assurance Inc.*

/s/ Corinne Ball

Corinne Ball (NY 1125186)
JONES DAY
222 East 41st Street
New York, New York 10017
Telephone: (212) 326-3939
Facsimile: (212) 755-7306
cball@jonesday.com

David G. Heiman (OH 0038271)
Heather Lennox (OH 0059649)
JONES DAY
North Point
901 Lakeside Avenue
Cleveland, Ohio 44114
Telephone: (216) 586-3939
Facsimile: (216) 579-0212
dgheiman@jonesday.com
hlennox@jonesday.com

Robert S. Hertzberg (P30261)
Deborah Kovsky-Apap (P68258)
PEPPER HAMILTON LLP
4000 Town Center, Suite 1800
Southfield, MI 48075
Telephone: (248) 359-7300
Facsimile: (248) 359-7700
hertzbergr@pepperlaw.com
kovskyd@pepperlaw.com

Attorneys for the City of Detroit